

DoD HR 2003

Transforming Human Resources



National Security Personnel System

*A cornerstone of the Defense
Transformation Act for FY
2004*

September 2003



NSPS Overview

- ✿ Provides Secretary of Defense flexibility to manage DoD civilians according to DoD mission
- ✿ Preserves civil service principles and veterans' preference - in law
- ✿ Respects collective bargaining - in law
- ✿ Implements tested and proven DoD flexibilities via DoD Best Practices Initiative



Right Time

- ✿ Demands an agile system for an agile adversary
- ✿ Provides a key part to the Secretary's transformation initiative
- ✿ Allows civilians to contribute as do military and contractors
- ✿ Addresses high projected losses and keen competition
- ✿ Overcomes inflexible title 5 system
- ✿ Implements tested DoD best practices
- ✿ Streamlines competing pay plans, personnel systems in DoD



Right Concept

- ✚ Personnel innovation leaders for DoD
 - ✚ China Lake system
 - ✚ Defense laboratories and Acquisition demos
 - ✚ Payment for degrees authority
 - ✚ Information Assurance Scholarship Program
- ✚ Logical venue for a mission-based personnel system
 - ✚ Precedents (Defense Acquisition Workforce Improvement Act, demos, intelligence personnel system)
 - ✚ “Agencies should be given the authority to develop management and personnel systems appropriate to their missions” — National Commission on the Public Service (Volcker II)



NSPS and DoD Best Practices Initiative

- ✚ NSPS is the broad legislative vehicle
- ✚ Best Practices are the specific policies and procedures
 - ✚ Chartered by USD(P&R) in 2002
 - ✚ Includes OSD/Components, executives/staff, HR/functional in development
 - ✚ Identifies civilian best practices from HR demos and alternative HR systems in and out of DoD



NSPS: Key Provisions – HR 1588

- ❖ OPM and DoD develop system together, DoD has override in areas of national security with Presidential decision
- ❖ Collaboration at the National Level
 - ❑ 30-day for unions to review
 - ❑ If no agreement on language, additional 30 days of discussions with potential involvement of Federal Mediation and Conciliation Service
 - ❑ If no agreement, Congressional 30-day implementation delay
- ❖ Performance Management System contains General Accounting Office recommended criteria



NSPS: Key Provisions – HR 1588 [2]

- ⊕ Appeals procedures developed with consultation with MSPB and EEOC with independent review panel not Secretary, Deputy Secretary or subordinates
- ⊕ VERA/VSIP including installment payments for both RIF and restructuring
 - ⊕ \$25,000 payment
 - ⊕ Reemployment restriction
 - ⊕ VERA rules – 50 years old with 20 years of service or has at least 25 years of service



NSPS: Key Provisions – HR 1588 [3]

- ✿ Dual comp waiver for reemployed annuitants
- ✿ Attracting highly qualified experts
 - ▣ Basic pay limited to Senior-level pay
 - ▣ Appointment for up to 5 years (1 year extension)
 - ▣ Bonus –up to \$50,000 or 50% of basic pay
- ✿ Employment of older Americans
 - ▣ No impact on retirement
 - ▣ Two-year appointment
- ✿ Special pay and benefits for certain employees outside the US
- ✿ Personal Services Contracts – moved to acquisition section of the transformation proposal



NSPS: Key Provisions – HR 1588 [4]

- ✚ Waiving Chapters: 43, Performance Appraisal, 51 Classification, 53 Pay Rates and Systems, 55 Pay Administration, Subchapter V Premium Pay, 71 Labor-Management Relations, 75 Adverse Actions, 77 Appeals
- ✚ Personnel Management Flexibilities found in title 5, 4703(a)(1), (3), and (8) regarding recruitment, reassignment, promotion and retention.



S. 1166 Separate Senate Bill on NSPS

- ✿ Drops National Security Waiver
- ✿ Makes Chapters 55 (Pay Administration) and 71 (Labor-Management Relations) non-waivable
- ✿ Allows national level bargaining, but FLRA may direct local level bargaining.
- ✿ MSPB may establish separate legal standards, however, prior legal standards must apply unless inconsistent with NSPS
- ✿ Drops personnel flexibilities found in 4703(a)(3) and (8)



S. 1166 Separate Senate Bill on NSPS [2]

- ✚ Adds requirement for employee surveys
- ✚ Ties paybanding to the General Schedule
- ✚ Identifies deployment schedule by numbers of employees per year
- ✚ Requires veterans' preference for populations currently not covered, attorneys, Scientific and Professional (ST), Senior Leader (SL), Senior Executive Service (SES)
- ✚ Limits VSIP to 10,000 per year (BRAC uncapped)



S. 1166 Separate Senate Bill on NSPS [3]

- ✚ Drops employment of older Americans
- ✚ Drops annuity protection for reemployed annuitants
- ✚ Limits the number of highly qualified experts to 300.



What's Happening/Next

- ✿ Congressional Conference Committee considering the language
 - ✿ Senate –
 - ✿ S1050 (FY04 NDDA) silent on the NSPS provisions except personal services contracts
 - ✿ S1166 offered by Senator Collins contains provisions that limit flexibility
 - ✿ House – HR 1588 has language we can live with
- ✿ Five Hearings have been held
- ✿ Potential enactment this Fall
- ✿ Implementation over two-year period